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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
CELSIUS NETWORK LLC, et al. ¹)	Case No. 22-10964 (MG)
Debtors.)	(Jointly Administered)
)	

**POST-EFFECTIVE DATE
DEBTORS' FIRST UPDATE ON DISTRIBUTIONS**

As set forth in the *Notice of Occurrence of Effective Date of Debtors' Modified Chapter 11 Plan of Reorganization and Commencement of Distributions* [Docket No. 4298] (the “Effective Date Notice”), the Post-Effective Date Debtors and the Distribution Agents commenced the process of making Liquid Cryptocurrency and Cash distributions on the Effective Date of the Plan, which occurred on January 31, 2024.² This Notice provides an update on the status of these distributions under the Plan.

¹ The Post-Effective Date Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Post-Effective Date Debtor Celsius Network LLC's principal place of business and the Post-Effective Date Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

² Capitalized terms not immediately defined have the meaning ascribed to them in the *Modified Joint Chapter 11 Plan of Reorganization of Celsius Network LLC and Its Debtor Affiliates (Conformed for MiningCo Transaction)* [Docket No. 4289] (the “Plan”), the *Disclosure Statement for the Joint Chapter 11 Plan of Reorganization of Celsius Network LLC and Its Debtor Affiliates* [Docket No. 3332] (the “Disclosure Statement”), or the *Order (I) Approving the Adequacy of the Debtors' Disclosure Statement, (II) Approving the Solicitation and Voting Procedures with Respect to Confirmation of the Debtors' Joint Chapter 11 Plan of Reorganization,*

As an initial matter, the Post-Effective Date Debtors acknowledge that these chapter 11 cases have taken time to come to a resolution and understand that creditors want to receive their distributions. Nonetheless, the Post-Effective Date Debtors want to highlight that, in coordination with their distribution partners, they have successfully commenced a **global** distribution process to **hundreds of thousands of creditors** without encountering any significant operational or security issues. Further, distributing cryptocurrency to the majority of creditors rather than Cash—as is usually the case in chapter 11 bankruptcies—has hastened the speed of distributions. The Post-Effective Date Debtors emphasize that they are committed to ensuring that creditors receive the distributions they are entitled to receive under the Plan and will work with creditors to do so. As explained in the Claim Distribution FAQ and the Effective Date Notice, creditors will have one year from the Effective Date to collect their Claim distribution.

In addition, the Post-Effective Date Debtors have received a number of inquiries from creditors who assert that they did not opt into the Convenience Class during the voting on the Plan in September 2023. However, the Debtors' records on voting revealed that all such creditors in fact opted into the Convenience Class. In early January 2024, before distributions began, creditors with Claims of \$25,000 or above who opted into the Convenience Class were contacted via email and were given an opportunity to correct any mistaken Convenience Claim election at that time. ***For the avoidance of doubt, because distributions have now begun and the funds available for distribution have been calculated and set aside, it is not possible to honor any further requests to rescind Convenience Class elections.***

Further, please note that instructions on the refinancing process for those creditors who had a loan with Celsius and timely made the Refinancing Election by the deadline (January 17, 2024) were sent by Stretto on February 14, 2024.

Distributions of Liquid Cryptocurrency³

The Effective Date Notice explained that it would take the Post-Effective Date Debtors approximately two weeks to send an email to eligible creditors with further instructions for collecting their Liquid Cryptocurrency distributions from the applicable Distribution Agent (PayPal/Venmo or Coinbase). In general, Liquid Cryptocurrency distributions to Holders residing in the United States, excluding Hawaii, are being made by PayPal, and Liquid Cryptocurrency

(III) Approving the Form of Ballots and Notices in Connection Therewith, (IV) Scheduling Certain Dates with Respect Thereto, (V) Authorizing and Approving Reimbursement of Certain of the Plan Sponsor's Fees and Expenses, and (VI) Granting Related Relief [Docket No. 3337] (the "Disclosure Statement Order").

³ As a reminder, the Holders of Claims eligible to receive Liquid Cryptocurrency as part of their distribution under the Plan are Holders of Claims in Class 2 (Retail Borrower Deposit Claims), Class 4 (Convenience Claims), Class 5 (General Earn Claims), Class 7 (Withhold Claims), Class 8 (Unsecured Loan Claims), and Class 9 (General Unsecured Claims) may be entitled to receive Liquid Cryptocurrency as part of the distributions on account of their Claims. In addition, to receive Liquid Cryptocurrency, Holders must also have completed and passed AML/KYC compliance checks for their Celsius Account and may be required to register and/or complete additional onboarding with their assigned Distribution Agent, which may require providing any AML/KYC Compliance Information requested by the Distribution Agent. You will be notified via email and within the Celsius Apps if personal information updates are required before you can receive your distribution. Information regarding the AML/KYC Compliance Information required by each Distribution Agent will be provided by that Distribution Agent.

distributions to Holders residing outside of the United States are being made by Coinbase (as long as that country is supported by Coinbase). Yesterday was two weeks after the Effective Date, and those initial emails have now been sent to all eligible creditors, as described further below:

- **PayPal/Venmo:** As of the date hereof, eligible Holders with PayPal/Venmo as their assigned Distribution Agent should have received an email from Stretto with further instructions. The email includes a code for collecting the Claim distribution through a “Creditor Claim Form.” Inputting the Claim code on the Creditor Claim Form will initiate the Holder’s Liquid Cryptocurrency Claim distribution, which will be completed through the Holder’s PayPal or Venmo account. If you have been assigned PayPal/Venmo as your Distribution Agent, and have not yet received an email with a code for collecting your Claim distribution, please submit an inquiry with Stretto by following the directions at: <https://cases.stretto.com/Celsius/contact-us/>.
- **Coinbase:** As of the date hereof, eligible Holders with Coinbase as their assigned Distribution Agent should have received an email from Stretto notifying them that funds have been deposited in their Coinbase account (if one has been created by such creditor). If you have received an email from Coinbase instructing that additional steps need to be taken for your distribution to be claimed, please complete those steps—Coinbase will continue to attempt those distributions on a rolling basis once those steps have been completed. If you have been assigned Coinbase as your Distribution Agent, and have not yet received an email with a code for collecting your Claim distribution, please submit an inquiry with Stretto by following the directions at: <https://cases.stretto.com/Celsius/contact-us/>.

Claim Distributions by the Numbers: As of the date hereof, a significant number of Holders have successfully collected their Liquid Cryptocurrency from PayPal/Venmo and Coinbase: Nearly 75% of the BTC/ETH set to be distributed by PayPal/Venmo and through Coinbase has already been collected:

- **336,841** Claim distributions (each creditor has one distribution of BTC and one of ETH)
- **171,672** creditors
- **20,255.66** BTC
- **301,338.77** ETH
- **\$2 billion** worth of cryptocurrency

In addition, as explained in the Effective Date Notice, the corporate creditors with the 100 largest Claims were provided an opportunity to receive their distribution in Liquid Cryptocurrency via Coinbase rather than Cash. Corporate creditors who were selected should have received an email communication from Coinbase Prime with further instructions.

Of course, there are a number of creditors who have not yet been able to successfully claim their distribution. Now that the Debtors have successfully completed the initial wave of distribution emails, they will be able to assist more in troubleshooting issues that certain creditors have had in claiming their Liquid Cryptocurrency distributions. If you have encountered error codes or other issues, please first consult the Claim Distribution FAQ at <https://celsiusnetwork.medium.com/celsius-distribution-faq-1cdd323251ef>.

If for any reason Coinbase or PayPal/Venmo cannot service your Claim distribution, you will be notified that your distribution will need to be routed to another Distribution Agent. This process must be done securely and individually and will take time for the Debtors and their Distribution Agents to facilitate. Accordingly, please have patience if you receive such a notification.

Troubleshooting Tips: Notably, if you are still receiving an error from PayPal or Venmo when attempting to complete the Creditor Claim Form, please take note of the following troubleshooting tips. There are a few reasons why you might be receiving an error at PayPal or Venmo, but please first review the following:

- Confirm the Claim code and your date of birth were entered into the Creditor Claim Form correctly. Check for errant spaces or characters when adding your information into the form.
- Ensure you are using the latest version of the mobile application.
- Do not try to switch between the PayPal and Venmo platforms. If you attempt to collect your Claim distribution on PayPal or Venmo, an error may occur when you attempt to collect your Claim distribution on the other platform. This is true regardless of whether you are attempting to collect your distribution using one or more Claim codes.

If you are still receiving an error after ensuring your information is entered correctly, you may have a PayPal or Venmo account that has missing information. To troubleshoot this error, please follow these steps:

- Retrigger the KYC process to enable the transfer of cryptocurrency to your account. If your account is missing information, you can trigger the verification process by clicking “Buy” under the “Crypto” section of PayPal (under “Finances”) or Venmo. Please note that you do not need to purchase cryptocurrency to complete this process. The KYC validation process may take up to 48 hours to be completed.
- If you are using PayPal, ensure your tax information is correct. If your account is missing information, you may need to add or update your tax information. You can review your PayPal account by clicking “Review” in your account.
- Confirm your date of birth is correct. If your date of birth is incorrect, this will affect your ability to move forward with collecting your Claim distribution. Your

date of birth must be correct in both your Celsius account and PayPal or Venmo when you attempt to redeem your Claim code.

Additionally, the Post-Effective Date Debtors and PayPal/Venmo are actively investigating all creditor claim errors and will continue to be in communication with creditors as more information can be provided. As a reminder, if for any reason neither PayPal nor Venmo can service your claim, you will be notified that your distribution cannot be serviced through PayPal or Venmo and will be distributed through other means.

If you are still having issues claiming your Liquid Cryptocurrency distribution, please submit an inquiry with Stretto by following the directions at: <https://cases.stretto.com/Celsius/contact-us/>. The Post-Effective Date Debtors are currently experiencing a large number of inquiries and are working through those inquiries as quickly as they are able, but you will not get an immediate response due to the high level of inquiries. The Post-Effective Date Debtors are committed to working to resolve every creditor's issue to the extent possible over the coming days and weeks. Moreover, as explained in previous materials, distributions can be collected over the course of the next year, and the Post-Effective Date Debtors are committed to delivering distributions to creditors and working with creditors to resolve unique issues.

As a reminder, Holders with Withdrawal Preference Exposure⁴ above \$100,000 who met the eligibility requirements for participating in the Account Holder Avoidance Action Settlement and received the *Notice Regarding Procedures for Settling Withdrawal Preference Exposure and Instructions for Making Settlement Payments Pursuant to the Account Holder Avoidance Action Settlement* [Docket No. 4207] but who did not resolve such Withdrawal Preference Exposure by 11:59 p.m., prevailing Eastern Time, on January 31, 2024, **will not receive any distribution of Liquid Cryptocurrency until such Withdrawal Preference Exposure is resolved**. Any Withdrawal Preference Exposure that was not settled by January 31, 2024, will be addressed by the Litigation Administrator through separate correspondence or other action.

Additionally, Holders of Account Holder Claims that opted out of the Class Claim Settlement **will not receive any distribution of Liquid Cryptocurrency until such Claim is resolved**. Holders of Account Holder Claims that opted out of the Class Claim Settlement will also have their Claims addressed by the Litigation Administrator through separate correspondence or other action.

As a reminder, there are other factors that may affect a creditor's ability to receive a distribution, including certain issues that are out of the Post-Effective Date Debtors' control, such as AML or compliance issues that are flagged by a Distribution Agent. Distribution Agents have

⁴ “Withdrawal Preference Exposure” means (i) the aggregate value of all assets an Account Holder withdrew from the Debtors’ platform in the 90 days prior to the Petition Date (*i.e.*, on or after April 14, 2022), valued as of the time of such withdrawals *less* (ii) the aggregate value of any deposits such Account Holder made after such Account Holder’s first withdrawal in such period, valued as of the time of such deposits. The details of how Withdrawal Preference Exposure is calculated are included in Article.III.PP of the Disclosure Statement. For the avoidance of doubt, the Debtors’ calculation of Withdrawal Preference Exposure shall not be binding on any defendant in an Avoidance Action. *See Plan, Art.I.A.270.*

discretion to refuse making distributions to anyone they believe does not fulfill their compliance and other requirements. In such cases, the Post-Effective Date Debtors will reroute the creditor's distribution to another Distribution Agent, but it may take additional time to do so. The Post-Effective Date Debtors will continue to notify creditors as their distribution is made available.

The Litigation Administrator may be contacted at celsiuslitigationadmin@m3-partners.com. Please keep in mind that the Litigation Administrator is expecting to receive a significant number of inquiries and will respond as soon as reasonably practicable.

Distributions of Cash (US Dollars)

Distributions of Cash (US Dollars) are also underway and creditors will continue to be notified of any steps that may be required of them to prepare to receive their distribution.

Notably, the Post-Effective Date Debtors will now be making Cash distributions to some creditors by wire transfer due to deliverability concerns that might have otherwise delayed or affected the ability of creditors to receive their Claim distribution via a US Dollar check. The Post-Effective Date Debtors have received numerous communications from creditors who are concerned about their inability to deposit a check from a US bank in their jurisdiction, and the Post-Effective Date Debtors believe the option for wire transfers will help resolve a majority of these concerns. Creditors receiving their distributions in US Dollars will be contacted with further instructions.

As a reminder, because distributions are being made to hundreds of thousands of creditors around the world, there will be situations with unique and unforeseen circumstances that may require further attention. The Post-Effective Date Debtors continue to explore a variety of options to distribute Cash in a manner other than through wire transfer or check for certain creditors. If you are scheduled to receive distribution in Cash instead of Liquid Cryptocurrency, you will receive further instructions from the Post-Effective Date Debtors in the near term.

Distributions of MiningCo Common Stock

Holders eligible to receive MiningCo Common Stock as part of their distributions under the Plan will receive communications from the Stock Transfer Agent, Odyssey Transfer and Trust Company ("Odyssey") regarding the distribution of MiningCo Common Stock.⁵ Because of the volume of distributions, the Post-Effective Date Debtors understand that Odyssey expects to complete sending their initial email to eligible Holders by February 16, 2024. The Post-Effective Date Debtors will file an additional notice once those communications are completed. Accordingly, please do not immediately contact Odyssey, the Post-Effective Date Debtors, or their advisors regarding this initial email until after that notice is filed. Instead, please review the instructions set forth in this Notice and the frequently asked questions related to the MiningCo Common Stock distribution, available at the following link: ionicdigital.odysseytrust.com

⁵ As a reminder, the Holders of Claims eligible to receive equity in the form of the common stock of MiningCo are Holders of Claims in Class 2 (Retail Borrower Deposit Claims), Class 5 (General Earn Claims), Class 7 (Withhold Claims), Class 8 (Unsecured Loan Claims), and Class 9 (General Unsecured Claims)

(the “MiningCo Common Stock FAQ”). Odyssey will continue to update the MiningCo Common Stock FAQ with the latest information.

Phishing Attempts Reminder

Many phishing attempts are active now that Plan distributions have become available. Please proceed with caution and review the Phishing Notices.

As a reminder, neither the Post-Effective Date Debtors nor their advisors will ever contact you by telephone call, social media, or text message to request account information or other personal information absent an (a) order by the Court or (b) on-the-record instruction from the Court.

If you see any suspicious website domains or receive any uncorroborated email, text message, or telephone call purporting to be from the Post-Effective Date Debtors or their advisors claiming that withdrawals are available or requesting account information, personal information, or payment, we request that you please immediately contact the Post-Effective Date Debtors’ counsel at CelsiusCreditorQuestions@kirkland.com or the Post-Effective Date Debtors’ claims, noticing, and solicitation agent, Stretto, at CelsiusInquiries@stretto.com.

Copies of the Phishing Notices, the Disclosure Statement, Plan, the Confirmation Order, and other pleadings filed in the above-captioned chapter 11 cases may be obtained free of charge by visiting the website of Stretto at <http://www.cases.stretto.com/Celsius>. You may also obtain copies of any pleadings by visiting the Court’s website at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

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New York, New York
Dated: February 15, 2024

/s/ Joshua A. Sussberg

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